



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2009
OF THE CONDITION AND AFFAIRS OF THE

Great Lakes Health Plan, Inc

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 95467 Employer's ID Number 38-3204052

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized 01/11/1994 Commenced Business 10/11/1994

Statutory Home Office 26957 Northwestern Highway, Suite 400 (Street and Number) Southfield, MI 48033 (City or Town, State and Zip Code)

Main Administrative Office 26957 Northwestern Highway, Suite 400 (Street and Number) Southfield, MI 48033 (City or Town, State and Zip Code) 248-559-5656 (Area Code) (Telephone Number)

Mail Address 26957 Northwestern Highway, Suite 400 (Street and Number or P.O. Box) Southfield, MI 48033 (City or Town, State and Zip Code)

Primary Location of Books and Records 26957 Northwestern Highway, Suite 400 (Street and Number) Southfield, MI 48033 (City or Town, State and Zip Code) 248-331-4284 (Area Code) (Telephone Number)

Internet Web Site Address www.glhp.com

Statutory Statement Contact David K. Livingston (Name) 248-331-4269 (Area Code) (Telephone Number) dlivington@glhp.com (E-mail Address) 248-556-4640 (FAX Number)

OFFICERS

President David K. Livingston #

Treasurer Robert W. Oberrender

Secretary Eric Wexler

OTHER

Dawn Koehler VP Government Affairs

Kara Jean Rios VP Finance

John William Kelly VP Tax Services

Lisa Ann Gray Chief Operating Officer

Rachel Godwin VP Health Services

David B. Siegel M.D. # Medical Director

DIRECTORS OR TRUSTEES

Rodney C Armstead M.D.

Chris A. Scherer

William E. Ralston

John J. Kaelin

Laura A. Spicer

State of Michigan SS:
County of

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

David K. Livingston President

Eric Wexler Secretary

Robert W. Oberrender Treasurer

Subscribed and sworn to before me this day of

a. Is this an original filing? Yes [X] No []

b. If no, 1. State the amendment number..... 2. Date filed 3. Number of pages attached.....

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	34,905,336		34,905,336	33,710,244
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	0		0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$(2,443,414)), cash equivalents (\$0), and short-term investments (\$82,303,733)	79,860,319		79,860,319	59,408,949
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets	0		0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	114,765,655	0	114,765,655	93,119,193
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	358,066		358,066	418,716
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	0		0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	1,617,953
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	6,399,431		6,399,431	0
16.2 Net deferred tax asset	2,124,137	1,671,828	452,309	452,309
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)	707	707	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care (\$6,076,542) and other amounts receivable	6,144,575	68,033	6,076,542	2,254,082
23. Aggregate write-ins for other than invested assets	5,500,654	5,500,654	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	135,293,225	7,241,222	128,052,003	97,862,253
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	135,293,225	7,241,222	128,052,003	97,862,253
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0		0
2301. Intangible Asset	5,500,654	5,500,654	0	
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	5,500,654	5,500,654	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	62,574,530		62,574,530	42,314,983
2. Accrued medical incentive pool and bonus amounts	1,072,501		1,072,501	856,501
3. Unpaid claims adjustment expenses	1,414,157		1,414,157	1,003,710
4. Aggregate health policy reserves	28,269		28,269	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	1,789,927	0	1,789,927	2,724,713
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))	0		0	143,101
10.2 Net deferred tax liability	0		0	0
11. Ceded reinsurance premiums payable	126,728		126,728	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated	0		0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	23,491,654		23,491,654	114,250
16. Payable for securities			0	0
17. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans	201,240		201,240	0
21. Aggregate write-ins for other liabilities (including \$ current)	56,774	0	56,774	766,458
22. Total liabilities (Lines 1 to 21)	90,755,779	0	90,755,779	47,923,716
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	22,003,392	22,003,392
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	15,292,832	27,935,145
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	37,296,224	49,938,537
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	128,052,003	97,862,253
DETAILS OF WRITE-INS				
2101. Escheat Funds	56,774		56,774	59,083
2102. QAAP Tax	0		0	707,375
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198)(Line 21 above)	56,774	0	56,774	766,458
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898)(Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	1,691,373	1,506,667	2,031,538
2. Net premium income (including \$ non-health premium income).....	XXX	485,405,457	394,113,154	540,233,464
3. Change in unearned premium reserves and reserve for rate credits.....	XXX			0
4. Fee-for-service (net of \$ medical expenses)	XXX			0
5. Risk revenue	XXX			0
6. Aggregate write-ins for other health care related revenues	XXX	(27,887,662)	(21,662,548)	(29,671,464)
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	457,517,795	372,450,606	510,562,000
Hospital and Medical:				
9. Hospital/medical benefits	0	337,126,721	262,273,471	358,133,266
10. Other professional services		10,875,580	10,762,112	14,449,603
11. Outside referrals				0
12. Emergency room and out-of-area		17,835,216	14,862,276	20,065,561
13. Prescription drugs	0	50,829,747	43,066,438	57,866,144
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		1,072,501		856,501
16. Subtotal (Lines 9 to 15)	0	417,739,765	330,964,297	451,371,075
Less:				
17. Net reinsurance recoveries		(987,657)	525,200	2,364,370
18. Total hospital and medical (Lines 16 minus 17)	0	418,727,422	330,439,097	449,006,705
19. Non-health claims (net)				0
20. Claims adjustment expenses, including \$4,321,859 cost containment expenses		5,754,538	4,807,827	6,467,793
21. General administrative expenses		42,876,499	35,135,024	48,700,511
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				0
23. Total underwriting deductions (Lines 18 through 22).....	0	467,358,459	370,381,948	504,175,009
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(9,840,664)	2,068,658	6,386,991
25. Net investment income earned		1,297,208	2,305,900	3,002,118
26. Net realized capital gains (losses) less capital gains tax of \$		(62,315)	0	(73,910)
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,234,893	2,305,900	2,928,208
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)].....				
29. Aggregate write-ins for other income or expenses	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(8,605,771)	4,374,558	9,315,199
31. Federal and foreign income taxes incurred	XXX	(3,012,020)	2,664,158	3,574,272
32. Net income (loss) (Lines 30 minus 31)	XXX	(5,593,751)	1,710,400	5,740,927
DETAILS OF WRITE-INS				
0601. QAAP tax	XXX	(8,247,229)	(21,662,548)	(29,671,464)
0602. Sales and Use Tax	XXX	(19,640,433)	0	0
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	(27,887,662)	(21,662,548)	(29,671,464)
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	49,938,539	41,978,226	41,978,226
34. Net income or (loss) from Line 32	(5,593,751)	1,710,400	5,740,927
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax		0	(110,250)
39. Change in nonadmitted assets	1,233,908	2,199,159	2,341,053
40. Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles.....		0	0
44. Capital Changes:			
44.1 Paid in	0	(10,680,494)	(10,680,494)
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in	0	0	0
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders	(7,284,000)		
47. Aggregate write-ins for gains or (losses) in surplus	(998,472)	10,669,077	10,669,077
48. Net change in capital & surplus (Lines 34 to 47)	(12,642,315)	3,898,142	7,960,313
49. Capital and surplus end of reporting period (Line 33 plus 48)	37,296,224	45,876,368	49,938,539
DETAILS OF WRITE-INS			
4701. Change in Tax Provision from prior year		(11,417)	(11,417)
4702. To correct additional paid in capital balance		10,680,494	10,680,494
4703. 2007 Change in deferred tax correction of error	(349,465)		
4798. Summary of remaining write-ins for Line 47 from overflow page	(649,007)	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	(998,472)	10,669,077	10,669,077

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	455,820,167	510,038,019
2. Net investment income	1,373,219	3,197,892
3. Miscellaneous income	0	0
4. Total (Lines 1 to 3)	457,193,386	513,235,911
5. Benefit and loss related payments	398,251,875	444,507,624
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	49,780,264	51,355,975
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	3,530,512	4,330,464
10. Total (Lines 5 through 9)	451,562,651	500,194,063
11. Net cash from operations (Line 4 minus Line 10)	5,630,735	13,041,848
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,665,883	14,076,218
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,665,883	14,076,218
13. Cost of investments acquired (long-term only):		
13.1 Bonds	3,938,652	3,937,301
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,938,652	3,937,301
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,272,769)	10,138,917
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	16,093,404	(144,642)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	16,093,404	(144,642)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	20,451,370	23,036,123
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	59,408,949	36,372,826
19.2 End of period (Line 18 plus Line 19.1)	79,860,319	59,408,949

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. The Company has noncash financing activity in the amount of a \$7.284 million dividend payable to the parent as of September 30, 2009.		
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	176,055	0	0	0	0	0	0	298	175,757	0
2. First Quarter	181,667							357	181,310	
3. Second Quarter	189,926							397	189,529	
4. Third Quarter	196,935							578	196,357	
5. Current Year	0									
6. Current Year Member Months	1,691,373							3,699	1,687,674	
Total Member Ambulatory Encounters for Period:										
7. Physician	1,139,802							5,126	1,134,676	
8. Non-Physician	502,797							1,744	501,053	
9. Total	1,642,599	0	0	0	0	0	0	6,870	1,635,729	0
10. Hospital Patient Days Incurred	67,914							834	67,080	
11. Number of Inpatient Admissions	16,115							142	15,973	
12. Health Premiums Written (a)	485,405,457							3,829,419	481,576,038	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	485,405,457							3,829,419	481,576,038	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services.....	398,251,876							587,722	397,664,154	
18. Amount Incurred for Provision of Health Care Services	417,739,765							3,068,164	414,671,601	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 3,829,419

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	443,527	3,068,164	194,451	587,722	637,978	194,451
7. Title XIX - Medicaid	24,400,662	368,783,452	199,561	61,592,796	24,600,223	42,120,532
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	24,844,189	371,851,616	394,012	62,180,518	25,238,201	42,314,983
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	56,237	1,499,833	0	1,072,501	56,237	856,501
13. Totals	24,900,426	373,351,449	394,012	63,253,019	25,294,438	43,171,484

(a) Excludes \$ loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation — Great Lakes Health Plan, Inc. (the “Company”), a wholly-owned subsidiary of United Health Group Inc. (“UHG”), was incorporated for the purpose of providing comprehensive health care services on a prepaid basis and establishing and operating a health maintenance organization (“HMO”) in Michigan. On July 12, 1996, the Company was issued a HMO license by the State of Michigan. Pursuant to that licensure, the Company is regulated by the Office of Financial and Insurance Regulation of the State of Michigan (“OFIR”). On February 26, 2004, 100% of the stock of the Company was sold to AmeriChoice Corporation (“AmeriChoice”), which is a majority owned subsidiary of UHG.

On May 1, 2006, the Company entered into an asset purchase agreement with Physicians Health Plan of Southwest Michigan. As a result of the agreement, the Company recorded an intangible asset related to the value of the membership list in the amount of \$4 million to be amortized over five years. The intangible asset is not admitted for statutory basis accounting purposes in these financial statements. The Company assumed approximately 28,000 Medicaid members who were transferred to the plan on September 1, 2006.

Substantially all of the Company’s net premium income result from its contract with the State of Michigan (the “State”) to provide health care benefits to Medicaid enrollees. The contract and the capitation rates have been approved by the State. The Company has various contractual agreements with health care providers to provide health services to members.

Basis of Presentation — The accompanying statutory basis financial statements have been prepared in accordance with the accounting practices prescribed or permitted by OFIR, which are designed primarily to demonstrate the ability of an entity to meet claims of policyholders. These practices differ from accounting principles generally accepted in the United States of America (“generally accepted accounting principles”) as certain assets, including certain aged premium and health care receivables, are considered nonadmitted assets for statutory purposes and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus. The change in nonadmitted assets has been reflected in accumulated surplus in the accompanying statutory basis financial statements. Under generally accepted accounting principles, these amounts would be included in total assets on the balance sheet. In addition, certain debt investments that would be shown at market value under generally accepted accounting principles are presented at amortized cost in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus and outstanding checks are required to be presented as negative cash in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being reflected as other liabilities under generally accepted accounting principles.

The State of Michigan OFIR recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an HMO and for determining its solvency under Michigan insurance law. OFIR has adopted the National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures Manual — Version effective March 2009* (NAIC SAP.). These practices differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) and, in some cases, those differences may be material. No significant differences exist between the statutory practices prescribed or permitted by the state of Michigan and those prescribed or permitted by the NAIC SAP which would materially affect the statutory basis capital and surplus.

Use of Estimates — The preparation of financial statements in conformity with OFIR’ accounting practices and permitted practices requires management to make estimates and assumptions that

NOTES TO FINANCIAL STATEMENTS

affect the reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities as of the date of the statutory basis statement of admitted assets, liabilities, and capital and surplus — and the statutory basis statement of operations for the period reported on. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to total hospital and medical expenses and claims unpaid. The Company adjusts these estimates each period, as more current information becomes available. The impact of any changes in estimates is included in the determination of income in the period in which the estimate is adjusted. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Short-term Investments — Cash, cash equivalents, and short-term investments represent cash held by the Company in disbursement accounts, money market instruments, commercial paper, and bonds with a maturity of one year or less at the time of purchase. Claims and other payments are made from the disbursement accounts daily. Cash equivalents are reported at cost or amortized cost depending on the nature of the underlying security, which approximates market value. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments.

Bonds — Bonds include money market funds, commercial paper, corporate bonds, government obligations and municipal securities and are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or market value if they meet an NAIC designation of three or higher. Amortization of bond premium or discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the NAIC Securities Valuation Office (“SVO”) in accordance with the NAIC Valuations of Securities manual prepared by the SVO or external pricing service if NAIC values are not available.

Corporate bonds and government obligations include mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of mortgage-backed securities are based on a three-month constant prepayment rate history. The Company’s investment policy limits investments in residential mortgage-backed securities, including home equity and subprime mortgages.

The Company continually monitors the difference between the cost and estimated fair value of its investments. If any of the Company’s investments experience a decline in value that the Company changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for mortgage-backed securities for periods subsequent to the loss recognition. The Company recorded losses of approximately \$18,000 and \$174,000 during the nine months ended September 30, 2009 and September 30, 2008.

Hospital and Medical Expenses and Claims Unpaid and Aggregate Health Policy Reserves — Hospital and medical expenses and corresponding liabilities are accrued in the period services are provided to the enrolled members based in part on estimates, including an accrual for medical services provided but not yet reported. Such estimates are based on historical payment patterns using actuarial techniques and are regularly reviewed and updated.

The estimates for health care services incurred but not yet reported are developed using actuarial methods based upon historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during the nine months

NOTES TO FINANCIAL STATEMENTS

ended September 30, 2009 and 2008. Management believes the amount of claims unpaid is adequate to cover the Company's liability for unpaid claims as of September 30, 2009; however, actual claim payments may differ from those established estimates. Adjustments to claims unpaid estimates are reflected in operating results in the period in which the change in estimate is identified.

Premiums — Qualified health plan contracts are entered annually, subject to cancellation by the State of Michigan, Department of Community Health, or the Company upon 90 days written notice on the basis of, and subject to, cause as reflected in the respective contracts. Premiums are due monthly and are recognized as revenue during the period in which the Company is obligated to provide benefits to members. Net premium income is recognized in the period in which enrollees are entitled to receive health care services. Premiums received prior to the period of service are recorded as premiums received in advance in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company recorded \$485,405,000 and \$394,113,000 of net premium income during 2009 and 2008 respectively. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive benefits. The Company records premium payments received in advance of the applicable service period as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company reported premium income net of Quality Assurance and Accreditation Project ("QAAP") fees of \$8,247,000 and \$21,663,000 for the nine months ended September 30, 2009 and 2008, respectively on the Statement of Revenues and Expenses – Statutory basis.

Effective as of April 1, 2009, the QAAP fees were replaced with Sales and Use tax fees. The Company reported premium income net of Sales and Use tax fees of \$19,640,000 and \$0 for the nine months ended September 30, 2009 and 2008, respectively on the Statement of Revenues and Expenses – Statutory basis.

The Company also has an arrangement with CMS for certain Medicare products whereby periodic changes in member risk factor adjustment scores, for certain diagnoses codes, result in changes to its Medicare revenues. The Company recognizes such changes when the amounts become determinable and supportable, and collectability is reasonably assured. The estimated risk adjusted payments due to the Company at September 30, 2009 and 2008 were \$0 and \$0, respectively.

The Company participates in the Graduate Medical Education and Hospital Risk Adjustment program ("GME.HRA") and the Specialty Network Access Fees ("SNAF") program with the State of Michigan. The State of Michigan utilizes Michigan Medicaid Managed Care Organizations ("MCO") to pay the funds to hospitals participating in these programs. As an MCO, the Company receives the program funds and the offsetting distribution requirements with their monthly State remittances. For the nine months ended September 30, 2009 and 2008, respectively, in accordance with state requirements, net premium income of \$108,557,000 and \$84,229,000, respectively, and medical and hospital costs of \$108,557,000 and \$84,229,000, respectively, were recorded by the Company in the statutory basis statement of operations.

Statutory Reserves—As a condition of licensure with the State of Michigan, the Company is required to maintain a minimum deposit of \$1,000,000 in a segregated account. These funds can only be used by the Company at the direction of the Commissioner. The deposited amounts are stated at fair value and consist of cash and money market funds.

NOTES TO FINANCIAL STATEMENTS

Provider Reimbursement Arrangements—The Company reimburses its providers based on contractual agreements that vary in accordance with the terms and conditions of each arrangement. The three most common arrangements are: capitated (fixed) rate paid on a per member per month (“PMPM”) basis; fee-for-service; and per-diem rate. The Company’s various providers are generally paid as follows:

- a. Capitated rate:
 - Primary care providers
 - Pharmacy
 - Laboratory fees
 - Transportation
- b. Fee-for-service:
 - All physician specialists
 - Primary care providers
 - Other medical disciplines (e.g., dentistry, chiropractor)
 - Ancillary services
- c. Per-diem rate and percent of charges:
 - Inpatient hospital and emergency (facility)

Incentive Pool — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of non-primary care medical services of members assigned to the physicians. Any surpluses or deficits in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentages and liability or receivable is included in accrued medical incentive pool and bonus amounts or health care and other receivables in the statutory basis statements of assets, liabilities, and capital and surplus, and the corresponding expense or reduction to expense is included in incentive pool, withhold adjustments, and bonus amounts in the statutory basis statements of operations.

Health Care Receivables — Health care receivables consist primarily of amounts due under state of Michigan programs.

Restricted Cash Reserves — The State of Michigan Office of Financial Regulation requires the Company to maintain a minimum regulatory deposit. This restricted cash reserve consists principally of government obligations and is stated at amortized cost. This reserve is included in bonds in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on this reserve is accrued by the Company.

NOTES TO FINANCIAL STATEMENTS

Minimum Capital and Surplus — The State of Michigan Office of Financial Regulation requires the Company to maintain a minimum capital and surplus equal to \$1,000,000. The Company has approximately \$37,296,224 in capital and surplus, which is in compliance with the required amount as of September 30, 2009.

Risk-based capital (RBC) is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Company is in compliance with the required amount as of September 30, 2009.

In January 2009, the NAIC issued SSAP No. 98, *Treatment of Cash Flows When Quantifying Changes in Valuation and Impairments, an Amendment to SSAP No. 43 —Loan-backed and Structured Securities (SSAP 98)*. SSAP 98 establishes statutory accounting principles for impairment analysis and subsequent valuation of loan-backed and structured securities. This statement is effective for quarterly and annual reporting periods beginning on or after January 1, 2009, with early adoption permitted and encouraged. A change resulting from the adoption of this statement shall be accounted for prospectively. No cumulative effect adjustments or application of the new guidance to prior events or periods are required, similar to a change in accounting estimate. The Company adopted SSAP 98 as of December 31, 2008. The Company has assessed the impact of SSAP 98 on its financial condition, results of operations and cash flows and has determined the result was not material to the statutory basis financial statements.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

In the first quarter of 2008, the Company made an adjustment relating to an error in the amortization of goodwill, resulting in an understatement of the amortization expense of approximately \$649,000, net of income tax, for the year ended December 31, 2007. The effect of the prior year adjustment was corrected by the Company in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*, and is reflected in the accompanying statutory basis statements of changes in capital and surplus for the nine months ended September 30, 2009.

3. BUSINESS COMBINATIONS AND GOODWILL

No change.

4. DISCONTINUED OPERATIONS

No change.

NOTES TO FINANCIAL STATEMENTS**5. INVESTMENTS**

The table below represents the Other-than-temporary impairments on mortgage-type investments for September 30, 2009:

	1	2	3
	Amortized Cost Basis Before Other Than- Temporary Impairment	Other-Than- Temporary Impairment Recognized in Realized Loss	Fair Value (1 – 2)
Aggregate Intent to Sell	\$ 145, 357	\$ 17, 876	\$ 127,481

Please note that all impairments were marked down to fair value. No impairment was bifurcated between Realized Losses and Unrealized Losses.

6. JOINT VENTURES, PARTNERSHIPS, AND LIABILITY COMPANIES

No change.

7. INVESTMENT INCOME

No change.

8. DERIVATIVE INSTRUMENTS

No change.

9. INCOME TAXES

No change.

10. INFORMATION CONCERNING PARENT, SUBSIDIARY AND AFFILIATES

No change.

11. DEBT

No change.

12. RETIREMENT PLANS, DEFERRED COMPENSATION AND OTHER POSTRETIREMENT BENEFIT PLANS

No change.

NOTES TO FINANCIAL STATEMENTS

13. CAPITAL SURPLUS, SHAREHOLDERS' DIVIDENDS RESTRICTIONS, AND QUASI-REORGANIZATIONS

The Company declared a dividend on September 22, 2009 in the amount of \$7.284 million which is reflected in the amounts due to parent, subsidiaries and affiliates within the accompanying financial statements. The amount was paid on October 31, 2009.

14. CONTINGENCIES

No change.

15. LEASES

No change.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK

No change.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

No change.

18. GAIN/LOSS TO THE REPORTING ENTITY FROM UNISURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

No change.

19. DIRECT PREMIUMS WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

No change.

20. OTHER ITEMS

No change.

21. EVENTS SUBSEQUENT

The Company was awarded a new contract with the State of Michigan effective October 1, 2009, which will encompass substantially the same membership and revenues existing under the current contract. The contract is effective October 1, 2009 through September 30, 2012. The majority of the Company's revenue is derived from the contract with the State of Michigan. Such re-procurement process typically occurs every three to five years for all Michigan Managed Care Organizations.

On October 31, 2009, the Company paid a cash dividend of \$7.284 million to its parent company.

22. REINSURANCE

No change.

NOTES TO FINANCIAL STATEMENTS**23. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION**

No change.

24. CHANGE IN INCURRED AND CLAIM ADJUSTMENT EXPENSES

Changes in estimates related to prior years' incurred claims are included in total hospital and medical expenses in the current year in the accompanying statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid liability, for the nine months ended September 30, 2009 and 2008 (in thousands):

	2009		
	Current Year Incurred Claims	Prior Year Incurred Claims	Total
Beginning of year claim reserve		\$ (43,172)	\$ (43,172)
Paid claims	373,352	24,900	398,252
End of year claim reserve	63,253	394	63,647
Incurring claims	\$ 436,605	\$ (17,878)	\$ 418,727

	2008		
	Current Year Incurred Claims	Prior Year Incurred Claims	Total
Beginning of year claim reserve		\$ (38,672)	\$ (38,672)
Paid claims	297,661	26,279	323,940
End of year claim reserve	44,994	177	45,171
Incurring claims	\$342,655	\$ (12,216)	\$330,439

The liability for claims unpaid at December 31, 2008 exceeded the actual claims incurred in 2009 related to those liabilities as a result of GME.HRA reserves of approximately \$14 million and favorable development of prior period medical cost of approximately \$3.9 million. The primary drivers consist of favorable development as a result of ongoing analysis of loss development trends and changes to the provider settlement reserves.

The Company incurred claims adjustment expenses of approximately \$5,755 for the nine months ended September 30, 2009 compared with \$4,808 for the nine months ended September 30, 2008. These costs are included in the management services fees paid by the Company as a part of its management agreements. The following tables disclose paid claims adjustment expenses, incurred claims adjustment expenses, and the balance in the unpaid claim adjustment expenses reserve, for the nine months ended September 30, 2009 and 2008 (in thousands):

NOTES TO FINANCIAL STATEMENTS

	2009	2008
Total claims adjustment expenses incurred	\$ 5,755	\$ 4,808
Less current year unpaid claims adjustment expenses	1,414	956
Add prior year unpaid claims adjustment expenses	1,004	895
Total claims adjustment expenses paid	<u>\$ 5,345</u>	<u>\$ 4,747</u>

25. INTERCOMPANY POOLING ARRANGEMENTS

No change.

26. STRUCTURED SETTLEMENTS

No change.

27. HEALTH CARE RECEIVABLES

No change.

28. PARTICIPATING POLICIES

No change.

29. PREMIUM DEFICIENCY RESERVES

No change.

30. ANTICIPATED SALVAGE AND SUBROGATION

No change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [] No [X]
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes [] No []
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes [X] No []
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 4.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes [] No [X] N/A []
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2007
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2007
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/22/2009
- 6.4

By what department or departments?
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [X] No []
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
OptumHealth Bank	Salt Lake City Utah				YES	

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Great Lakes Health Plan, Inc.

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; (c) Compliance with applicable governmental laws, rules and regulations; (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and (e) Accountability for adherence to the code.

Yes [X] No []
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [] No [X]
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$0

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]
- 11.2

If yes, give full and complete information relating thereto:
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$0
13.

Amount of real estate and mortgages held in short-term investments:

\$0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]
- 14.2

If yes, please complete the following:
- | | 1 | 2 |
|---|---|--|
| | Prior Year-End Book/Adjusted Carrying Value | Current Quarter Book/Adjusted Carrying Value |
| 14.21 Bonds | \$0 | \$0 |
| 14.22 Preferred Stock | \$0 | \$0 |
| 14.23 Common Stock | \$0 | \$0 |
| 14.24 Short-Term Investments | \$0 | \$0 |
| 14.25 Mortgage Loans on Real Estate | \$0 | \$0 |
| 14.26 All Other | \$0 | \$0 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$0 | \$0 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$0 | \$0 |
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No [X]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [] No []

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Great Lakes Health Plan, Inc.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, E - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
State Street Bank	801 Pennsylvania Avenue, Kansas City, MO 64105

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]
- 16.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
106595	Wellington Management Company, LLP	75 State Street, Boston, MA 02109

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 17.2 If no, list exceptions:

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Great Lakes Health Plan, Inc.

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
			NONE			

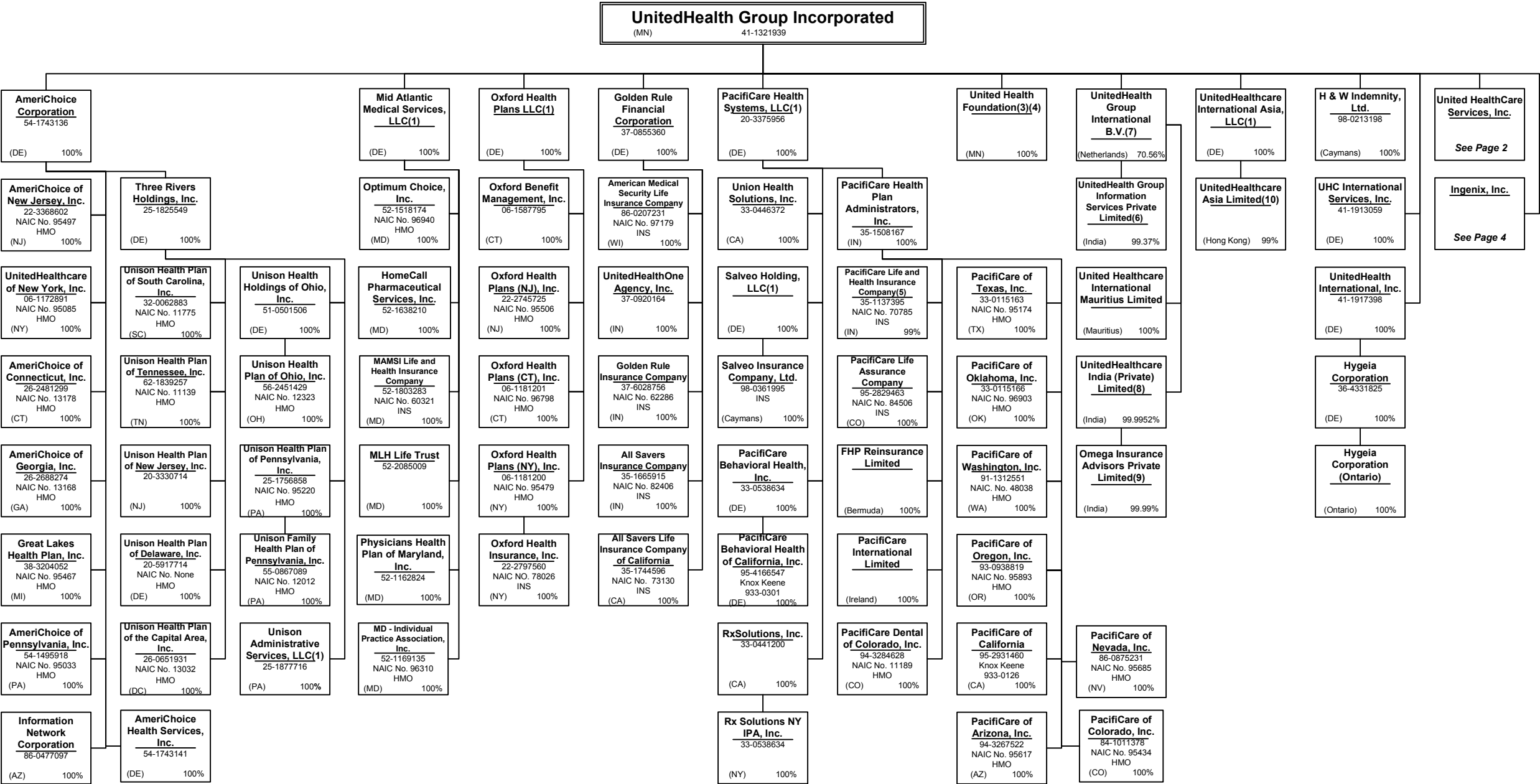
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

			1	Direct Business Only							
				2	3	4	5	6	7	8	9
States, etc.			Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N							0	
2.	Alaska	AK	N							0	
3.	Arizona	AZ	N							0	
4.	Arkansas	AR	N							0	
5.	California	CA	N							0	
6.	Colorado	CO	N							0	
7.	Connecticut	CT	N							0	
8.	Delaware	DE	N							0	
9.	District of Columbia ..	DC	N							0	
10.	Florida	FL	N							0	
11.	Georgia	GA	N							0	
12.	Hawaii	HI	N							0	
13.	Idaho	ID	N							0	
14.	Illinois	IL	N							0	
15.	Indiana	IN	N							0	
16.	Iowa	IA	N							0	
17.	Kansas	KS	N							0	
18.	Kentucky	KY	N							0	
19.	Louisiana	LA	N							0	
20.	Maine	ME	N							0	
21.	Maryland	MD	N							0	
22.	Massachusetts	MA	N							0	
23.	Michigan	MI	L		3,829,419	481,576,038				485,405,457	
24.	Minnesota	MN	N							0	
25.	Mississippi	MS	N							0	
26.	Missouri	MO	N							0	
27.	Montana	MT	N							0	
28.	Nebraska	NE	N							0	
29.	Nevada	NV	N							0	
30.	New Hampshire	NH	N							0	
31.	New Jersey	NJ	N							0	
32.	New Mexico	NM	N							0	
33.	New York	NY	N							0	
34.	North Carolina	NC	N							0	
35.	North Dakota	ND	N							0	
36.	Ohio	OH	N							0	
37.	Oklahoma	OK	N							0	
38.	Oregon	OR	N							0	
39.	Pennsylvania	PA	N							0	
40.	Rhode Island	RI	N							0	
41.	South Carolina	SC	N							0	
42.	South Dakota	SD	N							0	
43.	Tennessee	TN	N							0	
44.	Texas	TX	N							0	
45.	Utah	UT	N							0	
46.	Vermont	VT	N							0	
47.	Virginia	VA	N							0	
48.	Washington	WA	N							0	
49.	West Virginia	WV	N							0	
50.	Wisconsin	WI	N							0	
51.	Wyoming	WY	N							0	
52.	American Samoa	AS	N							0	
53.	Guam	GU	N							0	
54.	Puerto Rico	PR	N							0	
55.	U.S. Virgin Islands ...	VI	N							0	
56.	Nothern Mariana Islands	MP	N							0	
57.	Canada	CN	N							0	
58.	Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	0	3,829,419	481,576,038	0	0	0	0	485,405,457	0
60.	Reporting Entity Contributions for Employee Benefit Plans	XXX								0	
61.	Totals (Direct Business)	(a) 1	0	3,829,419	481,576,038	0	0	0	0	485,405,457	0
DETAILS OF WRITE-INS											
5801.			XXX								
5802.			XXX								
5803.			XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)		XXX	0	0	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and Other Alien.
All premiums written within the State of Michigan.

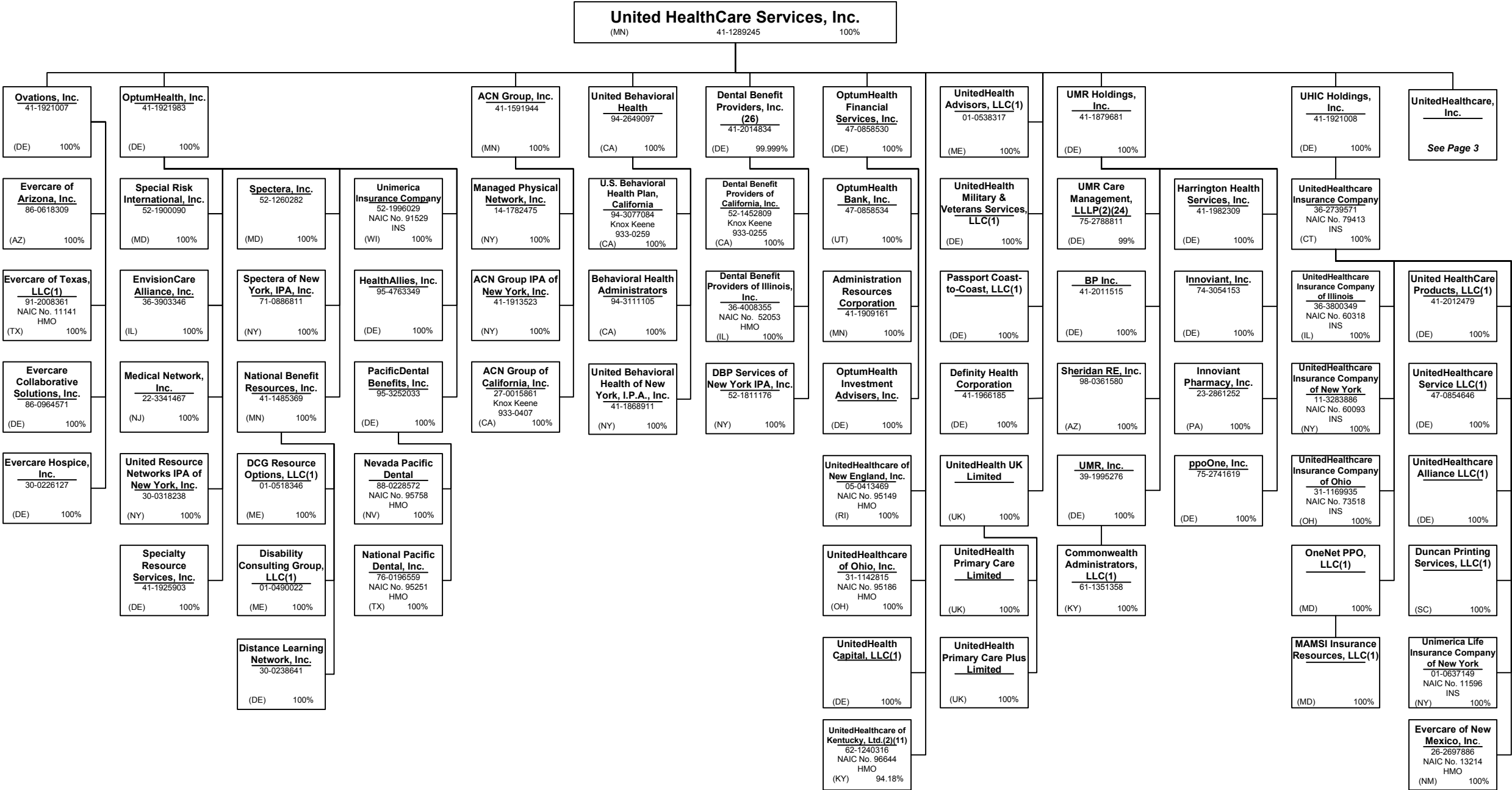
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

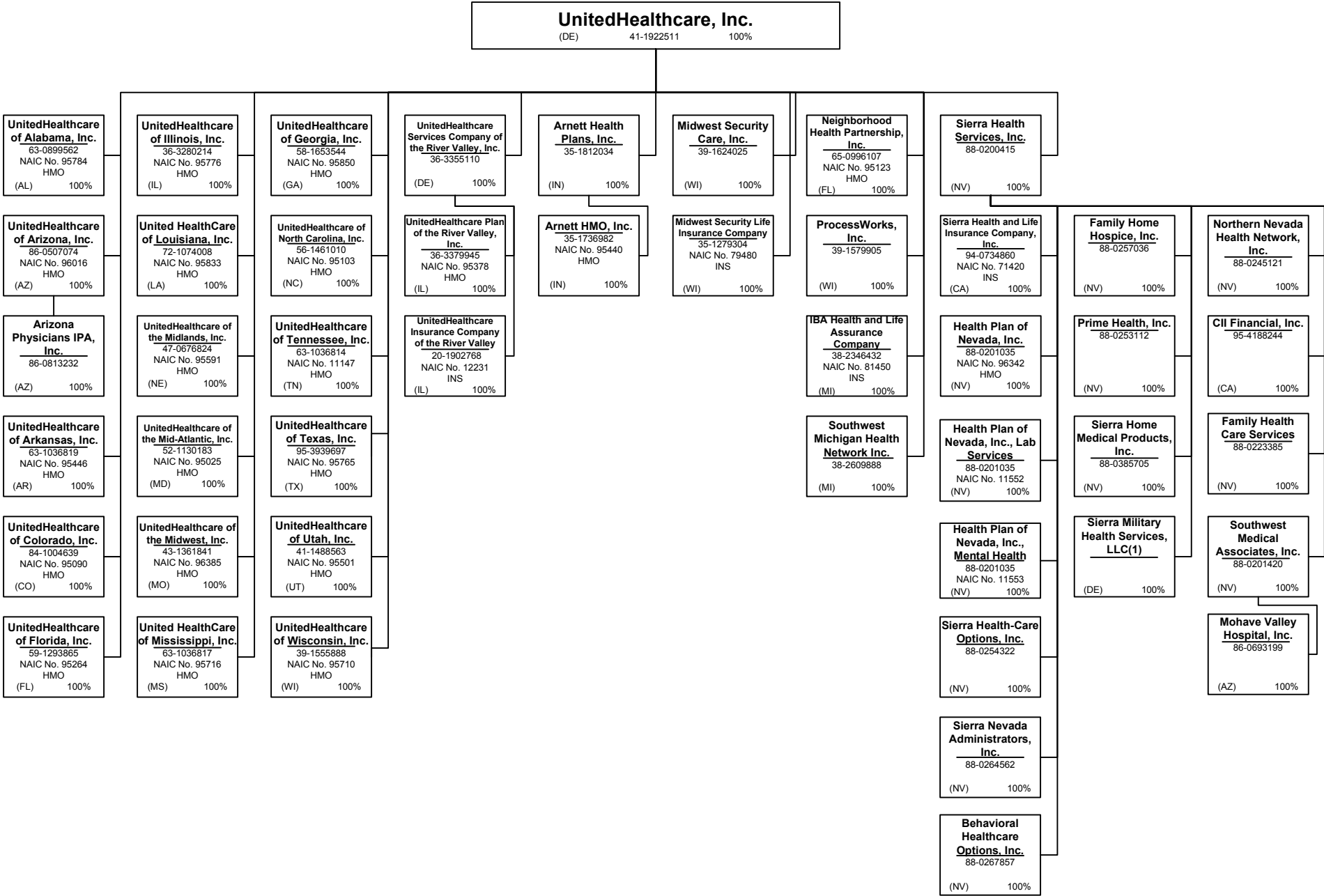
PART 1 - ORGANIZATIONAL CHART

14.1



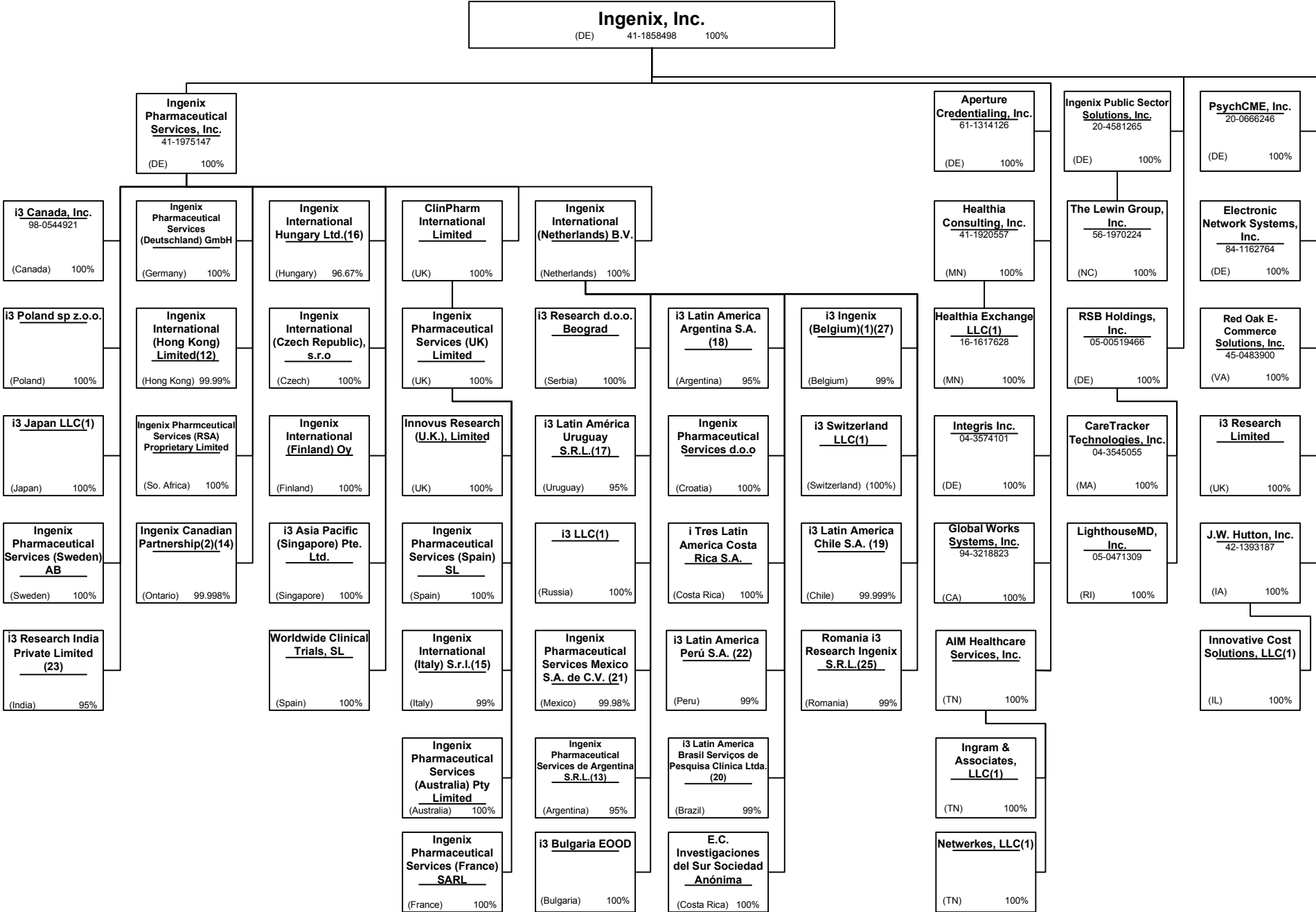
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) PacifiCare Life and Health Insurance Company is 99% owned by PacifiCare Health Plan Administrators, Inc. and 1% owned by PacifiCare Health Systems, LLC

(6) UnitedHealth Group Information Services Private Limited is 99.37% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) UnitedHealth Group International B.V. is 70.56% owned by UnitedHealth Group Incorporated and 29.44% owned by United HealthCare Services, Inc.

(8) United Healthcare India (Private) Limited is 99.9952% owned by UnitedHealth Group International B.V. and 0.0048% owned by UnitedHealth International, Inc.

(9) Omega Insurance Advisors Private Limited is 99.99% owned by United Healthcare India (Private) Limited and 0.01% owned by an individual shareholder

(10) UnitedHealthcare Asia Limited is 99% owned by UnitedHealthcare International Asia, LLC and 1% owned by UnitedHealth International, Inc.

(11) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(12) Ingenix International (Hong Kong) Limited is 99.99% owned by Ingenix Pharmaceutical Services, Inc. and 0.01% owned by Ingenix, Inc.

(13) Ingenix Pharmaceutical Services de Argentina S.R.L is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix, Inc.

(14) Ingenix Canada Partnership is 99.998% owned by Ingenix Pharmaceutical Services, Inc. and 0.002% owned by Ingenix, Inc.

(15) Ingenix International (Italy) S.r.l. is 99% owned by Ingenix Pharmaceutical Services (UK) Limited and 1% owned by Ingenix Pharmaceutical Services, Inc.

(16) Ingenix International Hungary Ltd. is 96.67% owned by Ingenix Pharmaceutical Services, Inc. and 3.33% owned by Ingenix, Inc.

(17) i3 Latin América Uruguay S.R.L. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix Pharmaceutical Services, Inc.

(18) i3 Latin America Argentina S.A. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix Pharmaceutical Services, Inc.

(19) i3 Latin America Chile S.A. is 99.9999% owned by Ingenix International (Netherlands) B.V. and 0.0001% owned by Ingenix Pharmaceutical Services, Inc.

(20) i3 Latin America Brasil Serviços de Pesquisa Clínica Ltda. Is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services, Inc.

(21) Ingenix Pharmaceutical Services Mexico S.A. de C.V. is 99.98% owned by Ingenix International (Netherlands) B.V. The remaining 0.02% is owned by i3 Latin America Argentina S.A..

(22) i3 Latin America Perú S.A. is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by i3 Latin America Argentina S.A.

(23) i3 Research India Private Limited is 95% owned by Ingenix Pharmaceutical Services, Inc. and 5% owned by Ingenix, Inc.

(24) Limited partnership interest is held by UMR Holdings, Inc.. (99%). General partnership interest is held by UMR, Inc. (1%)

(25) Romania i3 Research Ingenix S.R.L. is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services (UK) Limited

(26) Dental Benefit Providers, Inc. is 99.999% owned by United HealthCare Services, Inc. and 0.001% owned by PacificDental Benefits, Inc.

(27) i3 Ingenix (Belgium) is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services, Inc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

YES

Explanation:

Bar Code:

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Great Lakes Health Plan, Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Capital and Surplus Account Line 47

4704.	2007 Change in deferred tax correction of error	(649,007)		
4797.	Summary of remaining write-ins for Line 47 from overflow page	(649,007)	0	0

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	33,710,244	44,031,294
2. Cost of bonds and stocks acquired	4,000,967	3,946,937
3. Accrual of discount	75,518	50,915
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals	(44,439)	181,410
6. Deduct consideration for bonds and stocks disposed of	2,665,883	14,076,218
7. Deduct amortization of premium	153,195	233,048
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized	17,876	191,046
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	34,905,336	33,710,244
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	34,905,336	33,710,244

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Great Lakes Health Plan, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	104,133,441	285,848,651	276,743,518	(51,659)	96,613,702	104,133,441	113,186,915	91,855,878
2. Class 2 (a)	3,932,018	0	0	(3,702)	4,687,043	3,932,018	3,928,316	4,359,937
3. Class 3 (a)	216,209	0	139,496	17,125	0	216,209	93,838	0
4. Class 4 (a)	0				0	0	0	0
5. Class 5 (a)	0				0	0	0	0
6. Class 6 (a)	0				0	0	0	0
7. Total Bonds	108,281,668	285,848,651	276,883,014	(38,236)	101,300,745	108,281,668	117,209,069	96,215,815
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	108,281,668	285,848,651	276,883,014	(38,236)	101,300,745	108,281,668	117,209,069	96,215,815

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$; NAIC 3 \$;
NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	82,303,733	XXX	82,303,733	837	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	62,505,572	40,649,125
2. Cost of short-term investments acquired	592,480,881	582,253,223
3. Accrual of discount		30,642
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	572,682,720	560,427,418
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	82,303,733	62,505,572
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	82,303,733	62,505,572

Schedule DB - Part F - Section 1 - Replicated (Synthetic) Assets Open
N O N E

Schedule DB - Part F - Section 2 - Reconciliation of Replicated (Synthetic) Assets Open
N O N E

Schedule E - Verification - Cash Equivalents
N O N E

Schedule A - Part 2 - Real Estate Acquired and Additions Made
N O N E

Schedule A - Part 3 - Real Estate Disposed
N O N E

Schedule B - Part 2 - Mortgage Loans Acquired
N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid
N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired
N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid
N O N E

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Great Lakes Health Plan, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
3133XT-XH-4	FHLB Note Non Call 1.625% 07/27/11 .....		..08/17/2009	CitiGroup		705,711	700,000	632	1FE.....
912828-LV-0	US Treasury Note 1.000% 08/31/11 .....		..09/21/2009	Deutsche Bank		600,330	600,000	365	1.....
0399999. Bonds - U.S. Governments									
31406P-KB-4	FNMA Pool 815790 MBS 5.000% 05/01/23 .....		..07/13/2009	Bank of America Sec		1,306,041	1,300,000	997	XXX
31411B-EH-2	FNMA Pool 902936 MBS 5.000% 12/01/21 .....		..07/13/2009	Bank of America Sec		774,179	742,423	1,547	1.....
						33,980	32,587	68	1.....
3199999. Bonds - U.S. Special Revenues									
0258MO-CZ-0	American Express Credit Corp Note Non Call 5.125% 08/25/14 .....		..08/20/2009	CitiGroup		808,159	775,010	1,615	XXX
36967H-BB-2	General Elec Cap Corp Corp Note Non Call 2.000% 09/28/12 .....		..09/01/2009	Bank of America Sec		139,866	140,000	0	1FE.....
						492,475	490,000	980	1FE.....
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)									
						632,341	630,000	980	XXX
8399997. Total - Bonds - Part 3						2,746,541	2,705,010	3,592	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						2,746,541	2,705,010	3,592	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						0	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	XXX
9999999 - Totals						2,746,541	XXX	3,592	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE Great Lakes Health Plan, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Design-ation or Market In-dicator (a)	
912827-SN-8	US Treasury Note 6.000% 08/15/09		08/15/2009	Maturity		1,000,000	1,000,000	1,024,844	1,005,312	.0	(5,312)	.0	(5,312)	.0	1,000,000	.0	.0	.0	60,000	08/15/2009	1	
0399999. Bonds - U.S. Governments						1,000,000	1,000,000	1,024,844	1,005,312	.0	(5,312)	.0	(5,312)	.0	1,000,000	.0	.0	.0	60,000	XXX	XXX	
3128MM-KR-3	FHLMC Pool G18303 MBS 4.500% 03/01/24		07/01/2009	Paydown		5,869	5,869	6,006	.0	.0	(137)	.0	(137)	.0	5,869	.0	.0	.0	.88	03/01/2024	1	
3128MM-KR-3	FHLMC Pool G18303 MBS 4.500% 03/01/24		08/01/2009	Paydown		7,813	7,813	7,994	.0	.0	(182)	.0	(182)	.0	7,813	.0	.0	.0	.147	03/01/2024	1	
3128MM-KR-3	FHLMC Pool G18303 MBS 4.500% 03/01/24		09/01/2009	Paydown		6,947	6,947	7,108	.0	.0	(162)	.0	(162)	.0	6,947	.0	.0	.0	.156	03/01/2024	1	
3128PJ-LL-9	FHLMC Pool J06631 MBS 5.000% 01/01/23		07/01/2009	Paydown		65,993	65,993	66,060	66,051	.0	(59)	.0	(59)	.0	65,993	.0	.0	.0	1,925	01/01/2023	1	
3128PJ-LL-9	FHLMC Pool J06631 MBS 5.000% 01/01/23		08/01/2009	Paydown		43,647	43,647	43,691	43,686	.0	(39)	.0	(39)	.0	43,647	.0	.0	.0	1,455	01/01/2023	1	
3128PJ-LL-9	FHLMC Pool J06631 MBS 5.000% 01/01/23		09/01/2009	Paydown		37,068	37,068	37,105	37,101	.0	(33)	.0	(33)	.0	37,068	.0	.0	.0	1,390	01/01/2023	1	
3128PL-CV-2	FHLMC Pool J08184 MBS 5.000% 06/01/23		07/01/2009	Paydown		22,613	22,613	22,468	22,469	.0	144	.0	144	.0	22,613	.0	.0	.0	.660	06/01/2023	1	
3128PL-CV-2	FHLMC Pool J08184 MBS 5.000% 06/01/23		08/01/2009	Paydown		12,427	12,427	12,348	12,348	.0	79	.0	79	.0	12,427	.0	.0	.0	.414	06/01/2023	1	
3128PL-CV-2	FHLMC Pool J08184 MBS 5.000% 06/01/23		09/01/2009	Paydown		11,051	11,051	10,981	10,981	.0	70	.0	70	.0	11,051	.0	.0	.0	.414	06/01/2023	1	
3128PL-PG-1	FHLMC Pool J08523 MBS 5.000% 08/01/23		07/01/2009	Paydown		4,757	4,757	4,726	4,727	.0	30	.0	30	.0	4,757	.0	.0	.0	.339	08/01/2023	1	
3128PL-PG-1	FHLMC Pool J08523 MBS 5.000% 08/01/23		08/01/2009	Paydown		2,771	2,771	2,753	2,753	.0	18	.0	18	.0	2,771	.0	.0	.0	.92	08/01/2023	1	
3128PL-PG-1	FHLMC Pool J08523 MBS 5.000% 08/01/23		09/01/2009	Paydown		1,716	1,716	1,705	1,705	.0	11	.0	11	.0	1,716	.0	.0	.0	.64	08/01/2023	1	
31376J-VP-1	FNMA Pool 357122 MBS 6.000% 05/01/16		07/01/2009	Paydown		516	516	524	523	.0	(7)	.0	(7)	.0	516	.0	.0	.0	.18	05/01/2016	1	
31376J-VP-1	FNMA Pool 357122 MBS 6.000% 05/01/16		08/01/2009	Paydown		508	508	516	515	.0	(7)	.0	(7)	.0	508	.0	.0	.0	.20	05/01/2016	1	
31376J-VP-1	FNMA Pool 357122 MBS 6.000% 05/01/16		09/01/2009	Paydown		405	405	412	410	.0	(6)	.0	(6)	.0	405	.0	.0	.0	.18	05/01/2016	1	
31406P-KB-4	FNMA Pool 815790 MBS 5.000% 05/01/23		08/01/2009	Paydown		165,629	165,629	172,714	.0	.0	(7,085)	.0	(7,085)	.0	165,629	.0	.0	.0	.690	05/01/2023	1	
31406P-KB-4	FNMA Pool 815790 MBS 5.000% 05/01/23		09/01/2009	Paydown		3,264	3,264	3,404	.0	.0	(140)	.0	(140)	.0	3,264	.0	.0	.0	.27	05/01/2023	1	
31411B-EH-2	FNMA Pool 902936 MBS 5.000% 12/01/21		08/01/2009	Paydown		184	184	191	.0	.0	(8)	.0	(8)	.0	184	.0	.0	.0	.1	12/01/2021	1	
31411B-EH-2	FNMA Pool 902936 MBS 5.000% 12/01/21		09/01/2009	Paydown		1,460	1,460	1,522	.0	.0	(62)	.0	(62)	.0	1,460	.0	.0	.0	.12	12/01/2021	1	
31411H-MZ-0	FNMA Pool 908576 MBS 6.000% 01/01/22		07/01/2009	Paydown		205	205	208	208	.0	(3)	.0	(3)	.0	205	.0	.0	.0	.7	01/01/2022	1	
31411H-MZ-0	FNMA Pool 908576 MBS 6.000% 01/01/22		08/01/2009	Paydown		208	208	212	211	.0	(3)	.0	(3)	.0	208	.0	.0	.0	.8	01/01/2022	1	
31411H-MZ-0	FNMA Pool 908576 MBS 6.000% 01/01/22		09/01/2009	Paydown		264	264	269	268	.0	(4)	.0	(4)	.0	264	.0	.0	.0	.12	01/01/2022	1	
60636X-E2-5	5.050% 03/01/38 MO St Hsg Dev Comm Sgl Rev Bond Call Sink		07/01/2009	Call	100.0000	5,000	5,000	5,219	5,201	.0	(201)	.0	(201)	.0	5,000	.0	.0	.0	.210	03/01/2038	1FE	
60636X-E2-5	5.050% 03/01/38 MO St Hsg Dev Comm Sgl Rev Bond Call Sink		08/01/2009	Call	100.0000	10,000	10,000	10,438	10,402	.0	(402)	.0	(402)	.0	10,000	.0	.0	.0	.463	03/01/2038	1FE	
60636X-E2-5	5.050% 03/01/38 MO St Hsg Dev Comm Sgl Rev Bond Call Sink		09/01/2009	Call	100.0000	10,000	10,000	10,438	10,402	.0	(402)	.0	(402)	.0	10,000	.0	.0	.0	.505	03/01/2038	1FE	
3199999. Bonds - U.S. Special Revenues						420,315	420,315	429,012	229,961	.0	(8,590)	.0	(8,590)	.0	420,315	.0	.0	.0	8,935	XXX	XXX	
125581-CX-4	CIT Group Corp Note Non Call Adj 0.420% 03/12/10		07/16/2009	UBS Sec/Warburg Dillion		.82,125	150,000	120,405	130,982	.0	8,514	.0	8,514	.0	139,496	.0	(57,371)	(57,371)	1,512	03/12/2010	3FE	
13973Y-AD-3	Capital Auto Rec 2007-SN1 A3B ABS 0.303% 07/15/10		07/15/2009	Paydown		19,115	19,115	18,807	19,033	.0	82	.0	82	.0	19,115	.0	.0	.0	.66	07/15/2010	1FE	
13973Y-AD-3	Capital Auto Rec 2007-SN1 A3B ABS 0.303% 07/15/10		08/17/2009	Paydown		22,413	22,413	22,053	22,317	.0	97	.0	97	.0	22,413	.0	.0	.0	.84	07/15/2010	1FE	
13973Y-AD-3	Capital Auto Rec 2007-SN1 A3B ABS 0.303% 07/15/10		09/15/2009	Paydown		21,098	21,098	20,758	21,007	.0	91	.0	91	.0	21,098	.0	.0	.0	.85	07/15/2010	1FE	
55255P-AU-4	M&I Auto Ln Tr 2005-1 A4 ABS 4.860% 03/21/11		07/20/2009	Paydown		9,770	9,770	9,724	9,752	.0	18	.0	18	.0	9,770	.0	.0	.0	.277	03/21/2011	1FE	
55255P-AU-4	M&I Auto Ln Tr 2005-1 A4 ABS 4.860% 03/21/11		08/20/2009	Paydown		61,108	61,108	60,822	60,996	.0	112	.0	112	.0	61,108	.0	.0	.0	1,980	03/21/2011	1FE	
903279-AC-1	USAA Auto Own Tr 2006-3 A3 ABS 5.360% 02/15/11		07/15/2009	Paydown		8,853	8,853	8,867	8,858	.0	(4)	.0	(4)	.0	8,853	.0	.0	.0	.277	08/15/2009	1FE	
903279-AC-1	USAA Auto Own Tr 2006-3 A3 ABS 5.360% 02/15/11		08/15/2009	Paydown		3,020	3,020	3,024	3,021	.0	(1)	.0	(1)	.0	3,020	.0	.0	.0	.108	08/15/2009	1FE	
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)						227,502	295,377	264,460	275,966	.0	8,909	.0	8,909	.0	284,873	.0	(57,371)	(57,371)	4,389	XXX	XXX	
8399997. Total - Bonds - Part 4						1,647,817	1,715,692	1,718,316	1,511,239	.0	(4,993)	.0	(4,993)	.0	1,705,188	.0	(57,371)	(57,371)	73,324	XXX	XXX	
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999. Total - Bonds						1,647,817	1,715,692	1,718,316	1,511,239	.0	(4,993)	.0	(4,993)	.0	1,705,188	.0	(57,371)	(57,371)	73,324	XXX	XXX	
8999997. Total - Preferred Stocks - Part 4						.0	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						.0	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
9799997. Total - Common Stocks - Part 4						.0	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog- nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Maturity Date	NAIC Desig- nation or Market In- dicator (a)
9799999. Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999 - Totals						1,647,817	XXX	1,718,316	1,511,239	0	(4,993)	0	(4,993)	0	1,705,188	0	(57,371)	(57,371)	73,324	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....

Schedule DB - Part A - Section 1 - Options, Caps, Floors and Insurance Futures Options Owned

N O N E

Schedule DB - Part B - Section 1 - Options, Caps, Floors and Insurance Futures Options Written and
In Force

N O N E

Schedule DB - Part C - Section 1 - Collar, Swap and Forwards Open

N O N E

Schedule DB - Part D - Section 1 - Futures Contracts and Insurance Futures Contracts Open

N O N E

SCHEDULE E - PART 1 - CASH

[illegible]

Schedule E - Part 2 - Cash Equivalents - Investments Owned End of Current Quarter

N O N E

Medicare Part D Coverage Supplement

N O N E